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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

**THE PEOPLE OF THE STATE OF
CALIFORNIA,**

Plaintiff,

v.

**VOLKSWAGEN AG; VOLKSWAGEN
GROUP OF AMERICA, INC.;
VOLKSWAGEN GROUP OF AMERICA
CHATTANOOGA OPERATIONS LLC;
AUDI AG; DR. ING. H.C. F. PORSCHE AG;
and PORSCHE CARS NORTH AMERICA,
INC.,**

Defendants.

Case No. 3:16-CV-03620

**SECOND PARTIAL CONSENT
DECREE**

1 **WHEREAS**, Plaintiff the People of the State of California (“the People”) acting by and
 2 through Kamala D. Harris, Attorney General of the State of California (“the California Attorney
 3 General”) and the California Air Resources Board (“CARB”) (collectively “California”) filed a
 4 complaint (the “California Complaint”) in this action on June 27, 2016, against Volkswagen AG,
 5 Volkswagen Group of America, Inc., Volkswagen Group of America Chattanooga Operations
 6 LLC, and Audi AG (collectively, “Volkswagen” or the “Volkswagen Parties”), and Dr. Ing. h.c.
 7 F. Porsche AG and Porsche Cars North America, Inc. (together “Porsche” or the “Porsche
 8 Parties”) (Volkswagen and Porsche together, “Defendants”), alleging in relevant part that
 9 Volkswagen and Porsche violated California Health and Safety Code sections 43016, 43017,
 10 43151, 43152, 43153, 43205, 43211, and 43212; California Code of Regulations Title 13,
 11 sections 1903, 1961, 1961.2, 1965, 1968.2, and 2037, and the 40 C.F.R sections incorporated
 12 therein by reference; California Business and Professions Code sections 17200, 17500, and
 13 17580.5; California Civil Code section 3494; and 12 USC § 5536 *et seq.* in connection with the
 14 certification, marketing, distribution and sale of certain Volkswagen, Audi and Porsche diesel
 15 vehicles (the “California Claims”).

16 **WHEREAS**, the California Claims have been partially resolved through: (1) the entry of
 17 the partial consent decree between the California Attorney General and Defendants (the “First
 18 California Partial Consent Decree”) on September 1, 2016; and (2) the entry of the partial consent
 19 decree among the United States, California, and the Volkswagen Parties (the “First Partial
 20 Consent Decree”), concerning 2.0 Liter Subject Vehicles, on October 25, 2016.

21 **WHEREAS**, Defendants and the People (together the “Parties”) have agreed to resolve
 22 certain remaining aspects of the California Claims related to 3.0 Liter Subject Vehicles without
 23 the need for litigation.

24 **WHEREAS**, this further partial resolution of California Claims is documented: (1) in part
 25

1 through the second partial consent decree among the United States, California and Defendants
 2 lodged concurrently herewith (the “Second Partial Consent Decree”), which provides relief to
 3 California in the form of environmental mitigation trust funds, and which addresses other
 4 environmental issues including vehicle recall; and (2) in part through this Partial Consent Decree
 5 (the “Second California Partial Consent Decree”), which provides further Zero Emission Vehicle
 6 (“ZEV”) relief in California that is intended to address the adverse environmental impacts that
 7 California alleges resulted from Defendants’ conduct.

9 **WHEREAS**, California leads the nation in ZEV technology, and it has worked to increase
 10 the number of ZEVs in use in the state in order to reduce and offset mobile source emissions and
 11 in an effort to find long-term solutions to California’s unique air quality challenges.

12 **WHEREAS**, Volkswagen is committed to supporting the growth of the market for ZEVs
 13 in California, including through the introduction of new Volkswagen ZEVs and the strengthening
 14 of infrastructure for ZEVs in California and throughout the United States, as demonstrated by the
 15 \$2 billion ZEV investment provided for under the First Partial Consent Decree.

17 **WHEREAS**, except as expressly provided in this Second California Partial Consent
 18 Decree (which is referred to herein as the “Consent Decree”), nothing in this Consent Decree
 19 shall constitute an admission of any fact or law by any Party, including as to any factual or legal
 20 assertion set forth in the California Complaint, except for the purpose of enforcing the terms or
 21 conditions set forth herein.

23 **WHEREAS**, the Parties recognize, and the Court by entering this Consent Decree finds,
 24 that this Consent Decree has been negotiated by the Parties in good faith and will avoid litigation
 25 among the Parties regarding the California Claims, and that this Consent Decree is fair,
 26 reasonable, and in the public interest.

27 **AND WHEREAS**, various settlement documents have been filed in this Multidistrict
 28

Litigation (“MDL”) proceeding along with this Second California Partial Consent Decree, including the Second Partial Consent Decree, and this California Partial Consent Decree will not become effective unless and until the Second Partial Consent Decree is also entered by the Court.

NOW, THEREFORE, before the taking of any testimony, without the adjudication of any issue of fact or law, and with the consent of the Parties, **IT IS HEREBY ADJUDGED,** **ORDERED, AND DECREED** as follows:

I. JURISDICTION AND VENUE

1. The Court has jurisdiction over the subject matter of this action, pursuant to 28 U.S.C. §§ 1331 and 1335, and over the Parties to the extent limited by this paragraph. Venue lies in this District pursuant to 28 U.S.C. § 1407 and the MDL Panel’s Transfer Order, dated December 8, 2015, and filed in this MDL action as Dkt. # 1. The Court has supplemental jurisdiction over California’s state law claims pursuant to 28 U.S.C. § 1337. Volkswagen and Porsche consent to the Court’s jurisdiction over entry of this Consent Decree and over any action against Volkswagen or Porsche to enforce this Consent Decree, and consent to venue in this judicial district for such purposes. Volkswagen and Porsche reserve the right to challenge and oppose any claims to jurisdiction by California that do not arise from the Court’s jurisdiction over this Consent Decree or an action to enforce this Consent Decree.

2. Solely for purposes of this Consent Decree, without admission of any legal or factual assertion set forth in the California Complaint, and without prejudice to their ability to contest the legal sufficiency or merits of a complaint in any other proceeding, Volkswagen and Porsche do not contest that the California Complaint states claims upon which relief may be granted pursuant to: California Health and Safety Code sections 43016, 43017, 43151, 43152, 43153, 43205, 43211, and 43212; California Code of Regulations Title 13, sections 1903, 1961, 1961.2, 1965, 1968.2, and 2037, and the 40 C.F.R. provisions incorporated therein

1 by reference; California Business and Professions Code Sections 17200, 17500, and 17580.5;
 2 California Civil Code section 3494; and 12 USC § 5536 *et seq.*

3 **II. APPLICABILITY**

4 3. The obligations of this Consent Decree apply to and are binding upon
 5 California, and upon Volkswagen and Porsche, as applicable, and any of their respective
 6 successors, assigns, or other entities or persons otherwise bound by law.

7 4. In the event of the insolvency of any Volkswagen Party or the failure by
 8 any Volkswagen Party to implement any requirement of this Consent Decree, the remaining
 9 Volkswagen Parties that are parties to this Consent Decree shall complete all such
 10 requirements.

11 5. In the event of the insolvency of any Porsche Party or the failure by any
 12 Porsche Party to implement any requirement of this Consent Decree, the remaining Porsche
 13 Parties that are parties to this Consent Decree shall complete all such requirements.

14 6. Volkswagen shall include an agreement to remain responsible for the
 15 performance obligations hereunder in the terms of any sale, acquisition, merger or other
 16 transaction changing the ownership or control of Volkswagen, and no change in the ownership
 17 or control of Volkswagen shall affect the obligations hereunder of Volkswagen without the
 18 written agreement of the California Attorney General and CARB or modification of this
 19 Consent Decree.

20 7. Porsche shall include an agreement to remain responsible for the
 21 performance obligations hereunder in the terms of any sale, acquisition, merger or other
 22 transaction changing the ownership or control of Porsche, and no change in the ownership or
 23 control of Porsche shall affect the obligations hereunder of Porsche without the written
 24 agreement of the California Attorney General and CARB or modification of this Consent
 25 Decree.

Decree.

8. In any action to enforce this Consent Decree, Volkswagen and Porsche shall not raise as a defense the failure by any of their respective officers, directors, employees, agents, or contractors to take any actions necessary to comply with the provisions of this Consent Decree.

III. DEFINITIONS

9. For purposes of this Consent Decree:

“3.0 Liter Subject Vehicles” means each and every model year 2009 to 2016 light duty diesel vehicle equipped with a 3.0 liter TDI engine that Volkswagen or Porsche sold, leased or offered for sale or lease in, introduced or delivered for introduction into commerce, or imported into the United States or its Territories, and that is or was purported to have been covered by the following EPA Test Groups:

Model Year	EPA Test Group(s)	Vehicle Make and Model(s)	Generation
2009	9ADXT03.03LD	VW Touareg, Audi Q7	1.1
2010	AADXT03.03LD	VW Touareg, Audi Q7	1.1
2011	BADXT03.02UG BADXT03.03UG	VW Touareg, Audi Q7	1.2
2012	CADXT03.02UG CADXT03.03UG	VW Touareg Audi Q7	1.2
2013	DADXT03.02UG DADXT03.03UG DPRXT03.0CDD	VW Touareg Audi Q7 Porsche Cayenne Diesel	2.1 SUV
2014	EADXT03.02UG EADXT03.03UG EPRXT03.0CDD	VW Touareg Audi Q7 Porsche Cayenne Diesel	2.1 SUV
2014	EADXJ03.04UG	Audi: A6 quattro, A7 quattro, A8, A8L, Q5	2 PC

1	2015	FVGAT03.0NU3	Audi: Q7, A6 quattro, A7 quattro, A8, A8L, Q5	2.1 SUV
2	2015	FVGAT03.0NU2 FPRXT03.0CDD	VW Touareg Porsche Cayenne Diesel	2.2 SUV
3	2015	FVGAJ03.0NU4	Audi: A6 quattro, A7 quattro, A8, A8L, Q5	2 PC
4	2016	GVGAT03.0NU2 GPRXT03.0CDD	VW Touareg Porsche Cayenne Diesel	2.2 SUV
5	2016	GVGAJ03.0NU4	Audi: A6 quattro, A7 quattro, A8, A8L, Q5	2 PC
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10 **IV. ZERO EMISSION VEHICLE-RELATED RELIEF IN CALIFORNIA**

11 10. Volkswagen shall complete two Green City initiatives in California as part
12 of the ZEV investments required by Appendix C to the First Partial Consent Decree. The
13 Green City initiatives may include, but need not be limited to, the operation of ZEV car
14 sharing services, zero emission transit applications, and zero emission freight transport
15 projects. The first Green City initiative shall consist of the project currently under
16 development as part of the California ZEV Investment Plan provided for in the First Partial
17 Consent Decree. The second of the two Green City initiatives shall be implemented in a city
18 with a population of approximately 500,000 that predominately consists of Disadvantaged
19 Communities as identified by the California Office of Environmental Health Hazard
20 Assessment's CalEnviroScreen mapping tool. Volkswagen may receive credit toward its ZEV
21 investment requirements under the First Partial Consent Decree for Creditable Costs associated
22 with these two initiatives, subject to the requirements and limitations imposed by the First
23 Partial Consent Decree.

24
25 11. Defendants shall contribute to the increased availability of Zero Emission
26 Vehicles in California by introducing three additional Battery Electric Vehicle ("BEV")
27 models in California as follows:
28

1 a. Defendants shall offer and sell two additional BEV models in
2 California, including one BEV Sport Utility Vehicle (“SUV”), in or before
3 2019. For the avoidance of doubt, this means that Defendants must offer no fewer
4 than three BEVs (the two additional BEVs, plus Volkswagen’s existing e-Golf
5 BEV or its BEV successor), including one SUV BEV, in California in or before
6 2019.

7 b. Defendants shall offer and sell an additional BEV SUV model in
8 California in or before 2020. For the avoidance of doubt, this means that
9 Defendants must offer no fewer than three BEVs (the two additional BEVs
10 described in paragraph 11(a), plus the third additional BEV described in this
11 paragraph), including two SUV BEVs, in California in or before 2020.

12 c. Defendants shall offer and sell these three additional BEV models
13 (or their successors) in California through 2025, and they shall sell an average of
14 5,000 of these three additional BEV models (collectively) in California each year
15 from 2019 until 2025. For the avoidance of doubt, this means that Defendants are
16 required to sell 35,000 total units of the three additional BEV models (or their
17 successors) during the seven-year period 2019 to 2025, but that they are not
18 required to sell 5,000 units in any given year.

19 d. It is the intention of the parties that the requirements of this section
20 will result in an increased availability of ZEVs in California. For that reason: (i)
21 Defendants shall not sell ZEV credits resulting from their sale in California of these
22 three additional models; and (ii) Volkswagen shall continue to offer its existing
23 BEV model (the VW e-Golf BEV) or its successor or replacement models in
24 California until 2019. In the event that Volkswagen introduces a new BEV model
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in the United States between 2020 and 2025, it agrees to offer that BEV model (or its successor) in California until at least 2025.

e. If prevailing market conditions—including, but not limited to, the price of gasoline, overall vehicle sales, and sales of premium, ZEV, and sport utility vehicles—materially change in a manner that adversely affects the market in California for ZEVs, and that materially impairs the ability of Defendants to meet their obligation to sell a combined total of 35,000 units (*i.e.*, a 5,000-unit annual average) of those three additional ZEV models (collectively) in California during the period 2019 through 2025, California agrees to meet with Defendants in good faith to negotiate a reduction in this sales requirement. If Defendants and California fail to reach agreement concerning a requested reduction, Defendants may petition the Court for such a reduction, and California may oppose the petition. The Court’s determination as to whether a reduction is appropriate and, if so, the amount of the reduction shall be binding upon the Parties. Notwithstanding the foregoing, the State of California’s failure to offer a rebate, tax credit, or similar incentive for the purchase of ZEVs shall not relieve Defendants of their obligations under this paragraph, except that, for each year in which no such rebate, tax credit, or similar incentive is offered, Defendants’ obligation to sell an annual average of 5,000 vehicles per year under paragraph 11(c) shall be reduced by 50% (*i.e.*, the total sales obligation for the seven-year-period shall be reduced by a number of vehicles equal to 50% of one seventh of 35,000 vehicles).

12. Volkswagen shall further contribute to the availability of Zero Emission Vehicles in California by making a payment of \$25,000,000 to ARB no later than July 1, 2017. Such payment shall be used, in the discretion of ARB, to support the ZEV-related

1 aspects of the EFMP Plus Up program, or the ZEV-related aspects of similar vehicle
 2 replacement programs, in California in FY 2017-2018 or later years.

3 13. Defendants shall, within six months of the entry of this Consent Decree,
 4 and every year thereafter until it has completed its obligations under this Consent Decree,
 5 provide CARB and the California Attorney General with a written report regarding their
 6 compliance with the requirements of this Section IV. Defendants shall also provide CARB
 7 and the California Attorney General with any documents or information, including but not
 8 limited to information related to vehicle sales, that they may reasonably request in order to
 9 evaluate whether Defendants have complied with the requirements of this Section IV.

10 14. Nothing in this Consent Decree alters the requirements of federal or state
 11 law to the extent they offer greater protection to consumers or to the environment.

12 15. Payments required to be made pursuant this Consent Decree shall be made
 13 via wire transfer to CARB pursuant to instructions to be provided by CARB.

14 **V. EFFECT OF SETTLEMENT/RESERVATION OF RIGHTS**

15 16. Satisfaction of all the requirements of this Consent Decree, and of the
 16 Second Partial Consent Decree, shall resolve and settle all of California's civil claims in the
 17 California Complaint for injunctive relief, based on facts that were disclosed by Defendants
 18 to EPA and CARB prior to October 24, 2016, relating to any defeat devices or auxiliary
 19 emission control devices ("AECDs") in the 3.0 Liter Subject Vehicles, that they made or
 20 could have made against Defendants:

21 a. requiring Defendants to take action to buy back, recall, or modify
 22 the 3.0 Liter Subject Vehicles in order to remedy the violations alleged in the
 23 California Complaint concerning the 3.0 Liter Subject Vehicles;

24 b. requiring Defendants to make payments to owners and lessees of

the 3.0 Liter Subject Vehicles in order to remedy the violations alleged in the California Complaints concerning the 3.0 Liter Subject Vehicles; and

c. requiring Defendants to mitigate the environmental harm associated with the violations alleged in the California Complaint concerning the 3.0 Liter Subject Vehicles.

17. California reserves, and this Consent Decree is without prejudice to, all claims, rights, and remedies against Defendants with respect to all matters not expressly resolved in Paragraph 16. Notwithstanding any other provision of this Decree, California reserves all claims, rights, and remedies against Defendants with respect to:

a. An order requiring Defendants to take all actions necessary to enjoin, prevent, and deter future violations of the Health and Safety Code and related regulations of the types alleged in the California Complaint related to the 3.0 Liter Subject Vehicles;

b. Further injunctive relief, including prohibitory and mandatory injunctive provisions intended to enjoin, prevent, and deter future misconduct, and/or incentivize its detection, disclosure, and/or prosecution; or to enjoin false advertising, violation of environmental laws, the making of false statements, or the use or employment of any practice that constitutes unfair competition;

c. All rights to address noncompliance with Appendix B to the Second Partial Consent Decree as set forth in Paragraph 8.1, therein;

d. All rights reserved by Paragraph 53 of the Second Partial Consent Decree;

e. Civil penalties with respect to the 3.0 Liter Subject Vehicles, but only to the extent not previously resolved in the First California Partial Consent

1 Decree;

2 f. Any and all civil claims related to any 2.0 Liter Subject Vehicle,
 3 but only to the extent not previously resolved under the First Partial Consent
 4 Decree or the First California Partial Consent Decree, or to any vehicle other than
 5 the 3.0 Liter Subject Vehicles;

6 g. Any and all civil claims and administrative authorities for
 7 injunctive relief (i) based on facts that were not disclosed by Defendants to EPA
 8 and CARB prior to October 24, 2016, related to any defeat devices or AECDs
 9 installed on or in the 3.0 Liter Subject Vehicles; or (ii) related to any other failures
 10 by the 3.0 Liter Subject Vehicles to conform with the California Health and Safety
 11 Code or its implementing regulations;

12 h. Any criminal liability;

13 i. Any part of any claims for the violation of securities laws;

14 j. Costs and attorneys' fees, including investigative costs, incurred
 15 after the date of lodging;

16 k. California Attorney General Claims for relief to consumers,
 17 including claims for restitution, refunds, rescission, damages, and disgorgement,
 18 but only to the extent not previously resolved under the First Partial Consent
 19 Decree or First California Partial Consent Decree; and

20 l. Any other claim(s) of any officer or agency of the State of
 21 California, other than CARB or the California Attorney General.

22 18. This Consent Decree, including the release set forth in paragraph 16, does
 23 not modify, abrogate or otherwise limit the injunctive and other relief to be provided by
 24 Defendants under, nor any obligation of any party or person under, the First Partial Consent
 25 Decree or First California Partial Consent Decree.

1 Decree, the First California Partial Consent Decree, or the Second Partial Consent Decree.

2 19. By entering into this Consent Decree, California is not enforcing the laws
3 of other countries, including the emissions laws or regulations of any jurisdiction outside the
4 United States. Nothing in this Consent Decree is intended to apply to, or affect, Volkswagen's
5 or Porsche's obligations under the laws or regulations of any jurisdiction outside the United
6 States. At the same time, the laws and regulations of other countries shall not affect
7 Volkswagen's or Porsche's obligations under this Consent Decree.

8 20. This Consent Decree shall not be construed to limit the rights of California
9 to obtain penalties or injunctive relief, except as specifically provided in paragraph 16.
10 California further reserves all legal and equitable remedies to address any imminent and
11 substantial endangerment to the public health or welfare or the environment arising at any of
12 Volkswagen's or Porsche's facilities, or posed by Defendants' 3.0 Liter Subject Vehicles,
13 whether related to the violations addressed in this Consent Decree or otherwise.

14 21. In any subsequent judicial proceeding initiated by California for injunctive
15 relief, civil penalties, or other relief, Volkswagen and Porsche shall not assert, and may not
16 maintain, any defense or claim based upon the principles of waiver, res judicata, collateral
17 estoppel, issue preclusion, claim preclusion, claim-splitting, or other defenses based upon any
18 contention that the claims raised by California in the subsequent proceeding were or should
19 have been brought in the instant case, except with respect to the claims that have been
20 specifically released pursuant to paragraph 16.

21 22. This Consent Decree is not a permit, or a modification of any permit, under
22 any federal, State, or local laws or regulations. Volkswagen and Porsche are each responsible
23 for achieving and maintaining complete compliance with all applicable federal, State, and local
24 laws, regulations, and permits; and Volkswagen's or Porsche's compliance with this Consent
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1 Decree shall be no defense to any action commenced pursuant to any such laws, regulations, or
2 permits, except as set forth herein. California does not, by its consent to the entry of this
3 Consent Decree, warrant or aver in any manner that Volkswagen's or Porsche's compliance
4 with any aspect of this Consent Decree will result in compliance with provisions of the Clean
5 Air Act, or with any other provisions of United States, State, or local laws, regulations, or
6 permits.

7
8 23. Nothing in this Consent Decree releases any private rights of action
9 asserted by entities or persons not releasing claims under this Consent Decree, nor does this
10 Consent Decree limit any defense available to Volkswagen or Porsche in any such action.

11
12 24. This Consent Decree does not limit or affect the rights of Volkswagen or
13 Porsche or of California against any third parties, not party to this Consent Decree, nor does it
14 limit the rights of third parties, not party to this Consent Decree, against Volkswagen or
15 Porsche, except as otherwise provided by law.

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17 25. This Consent Decree shall not be construed to create rights in, or grant any
18 cause of action to, any third party not party to this Consent Decree. No third party shall be
19 entitled to enforce any aspect of this Consent Decree or claim any legal or equitable injury for
20 a violation of this Consent Decree.

21
22 26. Nothing in this Consent Decree shall be construed as a waiver or limitation
23 of any defense or cause of action otherwise available to Volkswagen or Porsche in any action.
24 This Agreement is made without trial or adjudication of any issue of fact or law or finding of
liability of any kind.

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26 **VI. NOTICES**

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28 27. Except as specified elsewhere in this Consent Decree, whenever any notification,
or other communication is required by this Consent Decree, or whenever any communication

1 is required in any action or proceeding related to or bearing upon this Consent Decree or the
2 rights or obligations thereunder, it shall be made in writing (except that if any attachment is
3 voluminous, it shall be provided on a disk, hard drive, or other equivalent successor
4 technology), and shall be addressed as follows:

5 As to the California Attorney General: Senior Assistant Attorney General
6 Consumer Law Section
7 California Department of Justice
8 455 Golden Gate Ave., Suite 11000
9 San Francisco, CA 94102-7004

10 As to the California Air Resources Board: Chief Counsel
11 California Air Resources Board
12 1001 "T" Street
13 Sacramento, CA 95814

14 As to Volkswagen AG: Volkswagen AG
15 Berliner Ring 2
16 38440 Wolfsburg, Germany
17 Attention: Company Secretary

18 With copies to each of the following:

19 Volkswagen AG
20 Berliner Ring 2
21 38440 Wolfsburg, Germany
22 Attention: Group General Counsel

23 Volkswagen Group of
24 America, Inc.
25 2200 Ferdinand Porsche Dr.
26 Herndon, VA 20171
27 Attention: U.S. General Counsel

28 As to Audi AG: Audi AG
29 Auto-Union-Straße 1
30 85045 Ingolstadt, Germany
31 Attention: Company Secretary

32 With copies to each of the following:

33 Volkswagen AG

1 Berliner Ring 2
2 38440 Wolfsburg, Germany
3 Attention: Group General Counsel

4 Volkswagen Group of
5 America, Inc.
6 2200 Ferdinand Porsche Dr.
7 Herndon, VA 20171
8 Attention: U.S. General Counsel

9
10 As to Volkswagen Group of
11 America, Inc.:

12 Volkswagen Group of
13 America, Inc.
14 2200 Ferdinand Porsche Dr.
15 Herndon, VA 20171
16 Attention: Company Secretary

17 With copies to each of the following:

18 Volkswagen Group of
19 America, Inc.
20 2200 Ferdinand Porsche Dr.
21 Herndon, VA 20171
22 Attention: President

23 Volkswagen Group of
24 America, Inc.
25 2200 Ferdinand Porsche Dr.
26 Herndon, VA 20171
27 Attention: U.S. General Counsel

28 As to Volkswagen Group of America
Chattanooga Operations LLC:

Volkswagen Group of America
Chattanooga Operations LLC
8001 Volkswagen Dr.
Chattanooga, TN 37416
Attention: Company Secretary

With copies to each of the following:

Volkswagen Group of
America, Inc.
2200 Ferdinand Porsche Dr.
Herndon, VA 20171
Attention: President

Volkswagen Group of

1 America, Inc.
2 2200 Ferdinand Porsche Dr.
3 Herndon, VA 20171
4 Attention: U.S. General Counsel

5 As to Dr. Ing. h.c. F. Porsche AG:

6 Dr.Ing.h.c. F. Porsche Aktiengesellschaft
7 Porscheplatz 1, D-70435 Stuttgart
8 Attention:
9 GR/ Rechtsabteilung/ General Counsel

10 As to Porsche Cars North America, Inc.:

11 Porsche Cars North America, Inc.
12 1 Porsche Dr.
13 Atlanta, GA 30354
14 Attention: Secretary
15 With copy by email to offsecy@porsche.us

16 As to one or more of the Volkswagen
17 Parties:

18 Robert J. Giuffra, Jr.
19 Sharon L. Nelles
20 Sullivan & Cromwell LLP
21 125 Broad Street
22 New York, New York 10004

23 As to one or more of the Porsche
24 Parties:

25 Granta Y. Nakayama
26 Joseph A. Eisert
27 King & Spalding LLP
28 1700 Pennsylvania Ave., N.W., Suite 200
Washington, DC 20006

29. Any party may, by written notice to the other parties, change its designated notice
30 recipient or notice address provided above.

31 **VII. RETENTION OF JURISDICTION**

32 29. The Court shall retain jurisdiction over this case until termination of this
33 Consent Decree, for the purpose of resolving disputes arising under this Consent Decree or
34 entering orders modifying this Consent Decree, or effectuating or enforcing compliance with
35 the terms of this Consent Decree.

VIII. SIGNATORIES/SERVICE

30. Each undersigned representative of Volkswagen, Porsche, and California certifies that he or she is fully authorized to enter into the terms and conditions of this Consent Decree and to execute and legally bind the Party he or she represents to this document. The California Attorney General and CARB represent that they have the authority to execute this Consent Decree on behalf of the State of California and that, upon entry, this Consent Decree is a binding obligation enforceable against California under applicable law.

31. This Consent Decree may be signed in counterparts, and its validity shall not be challenged on that basis. For purposes of this Consent Decree, a signature page that is transmitted electronically (*e.g.*, by facsimile or e-mailed “PDF”) shall have the same effect as an original.

IX. INTEGRATION

32. This Consent Decree constitutes the final, complete, and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Consent Decree and supersedes all prior agreements and understandings, whether oral or written, concerning the settlement embodied herein, with the exception of the First California Partial Consent Decree, First Partial Consent Decree, and Second Partial Consent Decree. Other than deliverables that are subsequently submitted and approved pursuant to this Consent Decree, the Parties acknowledge that there are no documents, representations, inducements, agreements, understandings or promises that constitute any part of this Consent Decree or the settlement it represents other than those expressly contained or referenced in this Consent Decree.

X. FINAL JUDGMENT

33. Upon approval and entry of this Consent Decree by the Court, this Consent

1 Decree shall constitute a final judgment of the Court as to California and the Defendants. The
2 Court finds that there is no just reason for delay and therefore enters this judgment as a final
3 judgment under Fed. R. Civ. P. 54 and 58.

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6 UNITED STATES DISTRICT JUDGE

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1 FOR THE PEOPLE OF THE STATE OF CALIFORNIA, acting by and through KAMALA D.
2 HARRIS, ATTORNEY GENERAL OF THE STATE OF CALIFORNIA, and the CALIFORNIA
AIR RESOURCE BOARD:

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KAMALA D. HARRIS
Attorney General of California
NICKLAS A. AKERS
ROBERT W. BYRNE
SALLY MAGNANI
Senior Assistant Attorneys General
JUDITH A. FIORENTINI
GAVIN G. MCCABE
DAVID A. ZONANA
Supervising Deputy Attorneys General
AMOS E. HARTSTON
JOHN S. SASAKI
WILLIAM R. PLETCHER
JON F. WORM
ELIZABETH B. RUMSEY
LAUREL M. CARNES
Deputy Attorneys General

Dated: December 7, 2016


NICKLAS A. AKERS
Senior Assistant Attorney General
*Attorneys for the
People of the State of California*

1 FOR THE CALIFORNIA AIR RESOURCES BOARD:

2
3 Dated: December 7, 2016



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5
6
7 MARY D. NICHOLS
8 Chair
9 California Air Resources Board

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12 RICHARD W. COREY
13 Executive Officer
14 California Air Resources Board

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1 FOR VOLKSWAGEN AG:

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4 Dated: Dec. 7, 2016



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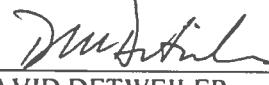
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1 FOR VOLKSWAGEN GROUP OF AMERICA, INC.:
2
3
4 Dated: Dec. 7, 2016


5 DAVID DETWEILER
6 VOLKSWAGEN GROUP OF AMERICA,
7 INC.
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9 Herndon, Virginia 20171

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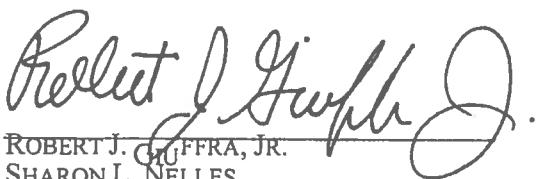
1 FOR VOLKSWAGEN GROUP OF AMERICA CHATTANOOGA OPERATIONS LLC:
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COUNSEL FOR VOLKSWAGEN AG; AUDI AG; VOLKSWAGEN GROUP OF AMERICA,
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1 FOR DR. ING. h.c. F. PORSCHE AG:

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